



THE NAVAJO NATION

OFFICE OF THE PRESIDENT & VICE PRESIDENT

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Navajo President Joe Shirley, Jr., reports Nation suffered \$240 million loss to portfolio from Wall Street financial crisis

WINDOW ROCK, Ariz. – Navajo Nation President Joe Shirley, Jr., today reported that the Navajo Nation's trust portfolio has declined nearly \$240 million as a result of the financial crisis on Wall Street during the past month.

national and state governments that the Navajo vote counts and that we are major players in the political process," he said.

In his quarterly State of the Navajo Nation address to the opening fall session of the Navajo Nation Council, President Shirley reported that the Navajo Nation's retirement portfolio has also declined by nearly \$81 million dollars, or 23 percent, and individual 401K accounts have declined by \$9 million, or 14 percent.

"With the current national and international financial crisis upon us, we, as leaders of the Navajo Nation, must do all we can to protect and ensure the wise use of our money more so than ever," he said. "Everywhere in the United States, municipal and state governments are drastically cutting operating budgets. This means a likelihood of reduced state and county services."

The council voted 56-to-2 to accept the President's report.

The President also proposed giving tribal employees administrative leave on Nov. 4 to assist their families and relatives get to the polls, saying it is "one of the most important elections of our time and I believe the Navajo vote can make a difference."

To get out the vote, he proposed coordinating with senior citizen programs to allow elders to take advantage of early voting opportunities, and to encourage employees and their families to vote.

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"With the current national and international financial crisis upon us, we, as leaders of the Navajo Nation, must do all we can to protect and ensure the wise use of our money more so than ever."

– Navajo Nation President Joe Shirley, Jr.,

President Shirley has endorsed Sen. Barack Obama and Sen. Joe Biden for U.S. President and Vice President, as well as Democratic candidate Ann Kirkpatrick for Arizona Congressional District 1, Democratic candidate Ben Ray Lujan for New Mexico Congressional District 3, and New Mexico Congressman Tom Udall's bid for the U.S. Senate.

The President said the unpredictability of oil prices, which the Navajo Nation budget is largely based on, makes the Nation highly vulnerable to a possible funding shortfall this fiscal year.

"This has a direct impact on the Nation and raises serious concerns about whether, during our budget planning, we over-projected oil and gas revenues," he said. "Unless we see stability in the market soon, we must begin planning

for a revenue funding shortfall in order to continue providing essential governmental services.”

He said it was incumbent upon tribal leaders to maintain the mandatory 10 percent minimum balance in the Undesignated, Unreserved Fund Balance. Not doing so, he said, places the Nation at financial risk should an emergency interrupt or decrease the Nation’s revenue, or should Congress fail to appropriate funds for an extended period.

“It is generally recognized that a government the size of the Navajo Nation’s should always maintain a balance for this express purpose,” he said. “We should also begin building up the Undesignated, Unreserved Fund Balance beyond the 10 percent minimum.”

He also urged the council to avoid the temptation to take money from the Nation’s Permanent Trust Fund and to consider approval of the Five-Year Plan for the expenditure of the trust funds interests.

He said approximately \$20 million is available and can be used for important development projects or for debt service on tax exempt loans.

President Shirley said that with the council’s appropriation last summer of \$22 million to the 110 chapters for infrastructure projects and \$5 million for public employment programs, attention is needed to ensure their compliance with the Five Management System Policies and Procedures of the Navajo Nation Local Governance Act.

New chapter officials will be sworn in early next year and the President directed the Division of Community Development to begin comprehensive agency-wide training sessions to train and inform the new officials about good governance practices and the need to ensure checks and balances and accountability at the local level.

“Without a strong system of accountability at the local level,” he said, “the chances of misuse and misappropriation of funds increases to the detriment of our Navajo people.”

The President had praise for the the State of New Mexico for recently entering into a Master Agreement with the Nation that allows capital outlay funding from New Mexico

to be provided for power line and water line extensions, house wiring, bathroom additions, road improvements, senior citizen centers, multipurpose buildings and other Navajo Nation facilities.

“The Nation has achieved a huge success in streamlining the grant agreement approval process,” he said. “Before, the Nation risked losing thousands of capital outlay dollars because of our cumbersome and time consuming process.”

He said the Nation secured a \$2 million grant from New Mexico State’s Tribal Infrastructure Fund for the expansion of the Raytheon facility in the NAPI Industrial Park. The expansion resulted in securing a long-term lease for company and has created 210 new jobs.

He also reported the groundbreaking of the \$58 million Navajo Nation Municipal Pipeline Project. The 28.4-mile-long pipeline will connect the cities of Shiprock and Farmington and when completed, the 24-inch pipeline will deliver 4,600 acre-feet of water to the Shiprock, Tsedakahn, Nenahnezad, and Upper Fruitland chapters.

The pipeline is part of the \$500 million Animas-La Plata Project, which fulfills a 20-year-old water rights settlement involving both the Southern Ute and Ute Mountain Ute tribes.

He also announced that the Navajo Nation will open the doors of its first gaming facility, the Fire Rock Casino, in Churchrock, N.M., on Nov. 19.

“I believe that continuing to view gaming as an economic priority will provide the foundation for real economic development and self-sufficiency,” he said.

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